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SUBJECT: OMAN: FTA INFORMATION ON ENVIRONMENTAL MATTERS

DEPT PLEASE PASS TO EB/TPP/MTA(AMY HOLMAN), OES/ENV(BARBARA CATES), AND USTR(JENNIFER PRESCOTT/JASON BUNTIN)

REF: SECSTATE 25544

1. (SBU) Embassy Muscat is pleased to provide additional information regarding environmental matters in Oman to assist USG negotiators for the upcoming free trade agreement talks. The following responses are keyed to questions (a - t) in paragraph 5 of reftel.

a. The Law on Conservation of The Environment and Prevention of Pollution issued via Royal Decree 114/2001 is available as a publication at the Ministry of Regional Municipalities, Environment and Water Resources (MRMEWR). (A copy of this publication was sent to USTR via unclassified e-mail on 2/15/2005.) Other executive regulations dealing with hazardous waste, chemical waste, and protection of the marine environment may be obtained from the Ministry or found in the Official Gazette. Highlights of them are available at the MRMEWR website: www.mrmewr.gov.om.

b. The primary body responsible for environmental regulation and enforcement is the MRMEWR. The Diwan of Royal Court is responsible for the Oryx Sanctuary in Central Oman. The Ministry of Agriculture and Fisheries oversees compliance with marine environment laws. The Ministry of Oil and Gas, as well as government-owned Petroleum Development Oman (PDO), provide environmental impact assessments of hydrocarbon production.

c. There is an ongoing relationship between the Ministry of Commerce and Industry and MRMEWR. The MRMEWR is responsible for the evaluation of environmental impact studies that are required as a condition for the establishment of new projects. We understand the MRMEWR is being consulted on the proposed FTA agreement, and MRMEWR officials have been participating in interagency and TIFA Council meetings.

d. The MRMEWR is responsible for evaluation of Environmental Impact Assessments of all major public and private projects. Details for obtaining environmental permits for industrial, tourism, mining, agricultural, food, service, and marine/coastal projects can be found at government websites. The Ministry is also responsible for:

- Administering protected areas and sanctuaries.
- Levying fines for polluters.
- Managing ground water resources.
- Promoting environmental awareness.

The Royal Diwan (Court) is responsible for the Oryx Wildlife Sanctuary located in the interior region of Wusta.

The Ministry of Agriculture and Fisheries promotes sustainable fisheries development through research, fish stock composition, surveying and conservation of the marine environment.

The Ministry of Oil and Gas and Petroleum Development Oman (PDO) assess the impact of hydrocarbon production and sponsor some environmental programs.

e. Protection of the environment is a basic component of government trade promotion. Priority is given to the marine environment and wildlife preservation. Oman's lengthy coastline on the Arabian Sea and its location straddling the active Strait of Hormuz translate into a major sensitivity to the potential risks of oil pollution, particularly in light of the importance of local fisheries. Oman's interest in protecting wildlife stems from the Sultan's personal interest in preserving rare and endangered species inhabiting Oman, such as the Green Turtle, the Loggerhead Turtle, the Olive Ridley Turtle, the Hawksbill Turtle, and the Arabian Oryx. The Sultan has a special advisor for environment in addition to a specific advisor who manages the Oryx reserve. Nonetheless, with the development of the industrial areas adjacent to the Port of Sohar, more emphasis will be needed to monitor and regulate the potential environmental impact of newly established and proposed projects in the area (an aluminum smelter, an iron and steel plant, petrochemical industries, fertilizer and urea factories, a second oil refinery, etc.).

f. The key environmental issues and challenges facing Oman

are varied:

-- Marine and coastal pollution is an issue since Oman straddles the Strait of Hormuz and remains vulnerable to oil spillage and beach pollution.

-- Wildlife conservation is also a high priority in Oman. Protective sanctuaries have been built for turtle nesting, dolphins, gazelles, oryx, and tahir. (Note: Ironically, the Sultanate is one of the only countries in the region not to have ratified the CITES Convention. Omani officials insist that ratification is imminent, but no action has yet been taken in that regard. End Note.)

-- While the Government of Oman seeks to promote tourism, there is a risk of human interference in sensitive wildlife habitats, such as turtle nesting beaches popular with tourists and near-shore corals damaged by seaside construction.

-- The Ministry of Agriculture and Fisheries is active in cataloging marine resources, and cracking down on illegal fishing, such as early harvesting of lobsters.

-- Water management continues to be a long-term concern, especially along the Batinah coast northwest of Muscat. Saltwater intrusion and soil salinity is affecting fresh water resources.

-- Although government laboratories are continuously monitoring environmental pollution, the rise of newly established industries and industrial estates, such as in Sohar, has given rise to future pollution concerns.

g. Environmental laws are enforced by penalties. Royal Decree 114/2001 provided for a set of fines and penalties that can reach up to \$13,000 and up to five years imprisonment on various environmental violations.

h. There is public access to the judicial system and independent public prosecutors. Court hearings are generally public. The public may petition through the Consultative Council (Majlis al-Shura, an elected body) in the event of violations. A case can also be raised against government offices at the Administrative Court. The public may not view government decisions before they are issued, but the Consultative Council is usually consulted on new laws and may recommend new legislation. Individuals can pursue private actions for personal damage. Indeed, if a person or entity is harmed by a certain environmental protection action, he/she may submit a grievance to the Minister of RMEWR, who may enforce or cancel the decision. The public has the right to pursue action to enforce the environmental law. Previous citizen involvement has led to enforcement of environmental regulations regarding dumping sites in the capital and dust/fumes from industrial projects at cement factories. The MRMEWR operates a website that includes a link by which the public can submit queries.

i. The Minister of Justice in conjunction with the Minister of RMEWR issues decisions appointing environmental inspectors who are judicially empowered to inspect and report environmental offences. The Justice Ministry collects fines and pursues other legal penalties through the judicial system.

j. International treaties are implemented through national legislation. The MRMEWR is responsible for the implementation of international treaties, represents the Sultanate in treaty negotiations, and advises the government on signing environmental agreements. The judiciary is divided into primary, secondary and supreme courts with an independent public prosecutor. All criminal, commercial or civil cases are submitted before the primary courts. A separate administrative court and state security court were also established to manage special cases in their respective fields.

k. Article 12 of the Basic Law of the State says "The State...works to conserve and protect the environment and prevent pollution."

l. The Environmental Society of Oman (ESO) was officially registered in 2004 as the first Omani NGO dedicated to protection and research of the environment. The group was launched by a number of expatriates, but grew to include many Omanis (including government officials and members of the royal family). The group is focused on marine conservation and cetacean research, although terrestrial pollution is another concern being addressed by members. NGOs are tightly controlled and monitored in Oman by the Ministry of Social Development, and the ESO's registration process took several years to complete.

m. Sultan Qaboos University has a leading role in environmental research. Moreover, private academic and educational institutions are also encouraged to involve students in understanding environmental concepts and their

role as part of society in protecting the environment. Activities are usually organized in schools where students help other members of the community to clean up beaches or roads or help in some environmental projects. Several local firms act as environmental consultants for project development.

n. The U.S. Fish and Wildlife Service has conducted a series of recent orientation and survey visits to turtle nesting beaches in eastern Oman, with the cooperation of the Omani government and Sultan Qaboos University (SQU). USDA is sending several experts to Oman in March 2005 to participate in an international conference on Witches Broom Disease of Lime, a debilitating citrus epidemic affecting the Gulf region and South Asia. The last USAID project in Oman (completed in the late 1990s) was a wastewater treatment plant in the southern city of Salalah. The treated water from this plant is pumped deep underground to replenish the local aquifer and reportedly has already helped lower salinity levels in ground water. In February 2004, the National Science Foundation sponsored a group of a dozen American scientists to travel to Oman to conduct a joint workshop on living marine resources with SQU. Finally, the Embassy successfully hosted two Science Fellows, in 2003 and 2004, each of whom effectively opened doors in the local scientific and environmental communities.

o. There is no environmental strategy that has been made public, although Oman Environment Day in January of each year is widely publicized through newspaper advertisements.

p. The following environmental cables, listed by MRN number, were sent from Embassy Muscat over the past two years: (CY2004) 1676, 1619, 1116, 784, 545, 526, 456, 302, 274, 193, 114, 74; (CY2003) 2424, 927, 535.

q. Opening up of the market, especially to foreign investment, would certainly contribute towards growth in the heavy and oil/gas downstream industries. With relatively large rural and coastal areas being increasingly considered for establishment of new projects, such as Sur and Sohar, there is an increasing concern over soil, air, and coastal pollution in largely untouched and pristine areas of the Sultanate. Oman's stated desire to boost tourism and exploit its beaches and natural sites also raises concerns at public and decision-making levels, which may explain some of Oman's lingering reluctance to embrace foreign tourism wholeheartedly.

r. Major industrial sectors are: oil and gas and related industries, shipping, tourism, textiles, and foodstuffs. Land use includes oil exploration and development, mining, and limited agriculture. Marine use consists of artisanal and commercial fishing.

s. The major capacity building needs for Oman in relation to free trade are its ability to gain access to new technologies for countering environmental hazards, its ability to effectively monitor and enforce its environmental regulations, and the ability to balance long-term economic development with adequate environmental protection. With major ports entering the business of shipping, given Oman's strategic position for oil shipments, and ongoing development of new industrial estates in Sohar and other parts of the country, laboratories and testing equipment are an area of potential growth, especially for sea, soil and air pollution.

t. Muscat is home to the Middle East Desalination Research Center (MEDRC), a vestige of the Middle East Peace Process Track II. We frequently interact with MEDRC officials, and the presence of the center is another strong boost for collaborative scientific research in the region. In addition, the Embassy is seeking to host a new Environment, Science, Technology and Health (ESTH) Hub for the Gulf Region, which would provide an ideal vehicle through which to coordinate follow-up on the FTA Environment Chapter and related annexes.

BALTIMORE